OUTGOING TELEGRAM

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1954 JUL 29 PM 7 39

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY J.M. Raji DATE May 6, 1982
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JOINT STATE-FOA MESSAGE.

Fourth paragraph Deptel 5.

Memorandum US position handed Prime Minister conclusion Washington talks contained following paragraph under discussion US economic assistance to Libya: "USG has also considered sympathetically problem minimum cereal requirements Libya during year ending June 30, 1955. USG desires assist Libya meet these requirements and has determined that it will be able provide such assistance up to total 24,000 tons."

Understanding with Prime Minister was ~~that~~ he could himself announce foregoing grain assistance on return to Libya. If he should inquire about US Government consent to such announcement at this time, Legation may inform him ~~that~~ US willing have him make announcement at any time henceforth.

Foregoing assistance would be in addition June famine relief grant 6,000 tons. Our commitment of up to 24,000 ton amount did not indicate what part if any would be straight grant and what part would require payment in local currency. FYI. This depends largely on outcome pending Mutual Security legislation and administrative arrangements under new Agricultural Trade and Development Assistance Act of 1954. End FYI. Local currency payments to extent required however would be reapplied to Libyan economic development.

Origin
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Drafted by: NEA:AF:JFRoot:cy 7/29/54 | Telegraphic transmission and classification approved by: John E. Utter

Clearances:
ED - Kirk S/MSA - Frechtling informed FOA - Paul per Mrs. Boke

S/S-CR
JUL 29 1954 P.M.

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Prime Minister's announcement therefore should not give impression US committed to straight grant of grain. Also FOA prefers referring to "minimum cereal consumption requirements".

FYI. While memo handed Prime Minister July 20 outlining US position indicated our aid "package" contingent upon ratification base agreement, we subsequently indicated to Prime Minister ~~that~~ grain shipments to meet consumption requirements would not be held up in period prior ratification.

Dulles

(Draft) DULLES

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